



Family Office Report

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The Family Office Report is a free resource created by the Family Offices Group for family office professionals and those businesses that work with family offices.

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An Introduction to the Family Office

The family office has often been misunderstood, even though the concept has been around (in a variety of forms) for hundreds of years. Still today, as the industry controls billions of dollars in assets under management, there are many intelligent, experienced finance professionals who cannot offer a complete definition of what a family office is exactly. That is one of the reasons that we at the Family Offices Group have created this Family Office Report: to educate those in the family office industry and to provide information to those who want to learn more about our industry.

This report is intended as a primer on family offices; how they operate, how they are structured, the differences between a multi-family office and a single family office, what family offices invest in, how the industry has grown and evolved, etc. and other important fundamentals of the industry.

If you already have a decent grasp of the family office concept and would like to get a deeper understanding of the industry, you'll be interested in *The Family Office Book* by Richard C. Wilson, which will be published in 2012 by Wiley & Sons. This book includes insights from family office experts around the world and is written by Richard C. Wilson, who has years of experience in the family office and alternative investment industries and manages the Family Offices Group, the largest family office association in the world, with over 33,000 members. If you would like to join the association or learn more about the Family Offices Group, please visit our website FamilyOfficesGroup.com. We have drawn on the experience and knowledge of the family offices we speak with on a daily basis, interviews completed for *The Family Office Book*, as well as our team's first-hand knowledge of the family office industry, in order to complete this report.

Today, the family office industry is expanding at an impressive pace, with new family offices opening every month and assets continuing to grow every year. The family office wealth management industry is larger and growing faster than ever before. Family offices are thriving and the ways that ultra-high net worth families shape our economy and communities is evidenced all around us by their operation of franchises, apartment buildings, operating businesses, and capital infusions. Family offices are an important source of capital for small and medium sized businesses and investments which fuel much of the global economy, an especially important factor giving the risk of economic slowdowns all around the

world. Family offices provide much-needed capital to businesses and investment funds.

At last estimate, there are more than 3,000 family offices in the U.S. with another 1,000 in Europe and even more in Asia, Latin America and other areas of the world. Almost every week, we are approached by individuals and firms looking to establish a multi-family office or launch a single family office. This is especially true in areas of the world where wealthy families and individuals previously had little-to-no access to family office wealth management firms. In places like Singapore, Hong Kong and Brazil, investment professionals are seeing the increase in wealth and wondering how to best serve those wealthy families and they are settling on a logical solution: the family office.

Family offices are also much more visible in the public's eye as of late. With high-profile celebrities, successful business professionals and other people of note turning to the family office model for their wealth management, the family office is becoming more and more well-known to even non-investment and financial professionals. Celebrities like Oprah Winfrey, business executives like Donald Trump, and entrepreneurs such as Paul Allen, all choosing to launch a family office to manage their wealth, it's no wonder we've seen such a huge increase in global family office assets under management and a higher demand for family office-like solutions around the world.

It's reasonable to assume that this demand will continue as more and more investors and wealthy families come to expect more from their wealth management advisors and want to have a more all-encompassing solution for their day-to-day needs such as tax and compliance work and portfolio management. Many financial and wealth management professionals have noticed this trend too, and chosen to step off the beaten path of typical banking solutions and chosen to launch multi-family offices and single family offices in order to better serve their clients and better align their interests with that of their clients. The more we speak with single and multi-family office executives and ultra-high-net worth clients, the more excited we are for the possibilities and opportunities that lie ahead for this burgeoning industry. Reading this Family Office Report is the first step toward understanding an industry that has long gone misunderstood and underestimated, and you will be one step ahead of those who are just now starting to see the family office industry.

What is a Family Office?

So, now that you understand how important family offices are to business, investment funds and the world at large, you may be asking, what is a family office? A family office is 360 degree financial and wealth management firm and personal CFO for the ultra-affluent, often providing investment, charitable giving, budgeting, insurance, taxation, and multi-generational guidance to an individual or family. The most direct way of understanding the purpose of a family office is to think of a very robust and comprehensive wealth management solution which looks at every financial aspect of an ultra-wealthy person's or family's life.

A Single Family Office is a full balance sheet 360 degree ultra-affluent wealth management firm and CFO solution for a single individual or family.

The SEC has recently defined single family offices as “entities established by wealthy families to manage their wealth, plan for their families’ financial future, and provide other services to family members. Single family offices generally serve families with at least \$100 million or more of investable assets. Industry observers have estimated that there are 2,500 to 3,000 single family offices managing more than \$1.2 trillion in assets.”

You may be more familiar with the multi-family office (sometimes abbreviated as MFO) which has gained a lot of attention in the wealth management world as more and more traditional wealth management firms and private banks convert into a multi-family office. A multi-family office is a full balance sheet 360 degree ultra-affluent wealth management and CFO solution for multiple individuals and families.

Traditional wealth management firms advise on your investments and sometimes they can help you make insurance related or budgeting related decisions. Most wealth management firms are not specialists in taxation or charitable giving, or even multi-generational wealth management. Family offices can provide all of these solutions and more under one house so that several diverse experts can speak with each other and create a cohesive plan for preserving and/or growing the wealth of the ultra-high net worth client.

In both the single and multi-family office, what is really being offered is a full balance sheet financial management solution to ultra-high net worth individuals and families. It is hard to nail down a single template for a family office as every family office is a reflection of its clients' needs and desires.

So, while one family office client might require an accountant to deal with complex financial transactions, business operations and global tax compliance; another, may simply want to supplement his or her current accounting system with advice on certain laws or issues, but otherwise has little use for a family office accounting solution. Another family office client may want to hire a family office that specializes in selecting and investing in alternative fund managers and portfolio management services; while another family office client prefers more traditional investments such as bonds, stocks and mutual funds. A multi-family office will often adapt to fit the needs of its clients or those clients it hopes to attract by specializing in certain services or offering a suite of different services that a prospective client may or may not need.

This adaptation to fit the client is part of what makes a family office so attractive to clients because they can get everything they need done through their family office, eliminating the headaches and worries in selecting various service providers and firms in order to manage the client's wealth and day-to-day needs. A family office can provide its client(s) with a multitude of services and often cut down on inefficiencies among several services. For instance, a family office that invests its clients' money and takes care of their taxes will already be conscious of tax efficiencies when considering various investments and will not have to coordinate with an outside accountant to understand what the impact on the client's taxes will be if the investment is made. This is just one example of how family offices can make life easier for their clients while providing a range of important services.

Free Video: What is a Family Office?

In the following video, Richard Wilson will cover the definition of family offices, why it is important to know why it is important to understand what is a family office and how one operates, what they invest in, how to learn more about family offices and the three reasons why family offices continue to grow despite the bad economy. To view this video, [simply click this link](http://familyofficesgroup.com/2009/10/what-is-family-office.html) or copy and paste the following link into your web browser:

<http://familyofficesgroup.com/2009/10/what-is-family-office.html>

Family Office Industry Growth

The family office industry has grown impressively in recent years, leading many to wonder what is driving that growth. I have identified what I see as the four main drivers of family office industry growth:

- 1) **Rise of the Ultra-wealthy:** The daily rise in the total number of ultra-high net worth professionals around the world is growing the demand for family office services. New wealth has been created daily in every country since the beginning of time, but today business owners in economies such as Singapore, Indonesia, South Africa, Czech Republic, Argentina, and India are thriving as never before and wealth is being created at a faster rate than ever before.
- 2) **Wealth Management Firms Upgrading:** The second driver of wealth that I have identified is that wealth management firms are wanting to serve the clients better and naturally collect more fees. In order to achieve these two goals, they are trying to provide more holistic financial wealth management solutions and many are raising their fees and the minimum assets a client must have before they will accept them as a client.
- 3) **Family Offices Downgrading:** Another source of growth in the space is found on the other end of the spectrum in traditionally very closed-door multi-family offices. Many multi-family offices require \$30-\$100M+ to join their firm, but due to the combination of economic volatility and perhaps rising costs many have lowered their new client minimums to just \$10M-\$20M.
- 4) **Banking & Trust Executives Taking Off Handcuffs:** I probably won't make many large investment banking or trust company friends with this growth driver description. I have found, in my experience, that most banks and trust companies of large size have internal cash management products, fund managers, long-only fund solutions, and services which provide limited options to clients which are somewhat self-serving.

Family Office Clients

While some family office clients inherit their wealth and some are professional athletes or movie stars, a high percentage of family office clients have recently taken a company public or sold a business and as a result they are in possession of \$20M, \$100M or more in assets that they didn't have to manage in the past. As the saying goes, with more money comes more problems. Family offices try to help manage and preserve that wealth, and the goal of this book is to explore how they attempt to do that on a consistent basis.

Examples of well-known individuals who use family offices include Michael Jordan, Paul Allen, Oprah Winfrey, Bill Gates, and Donald Trump. Almost everyone who runs a single family office has between \$100M and \$1B, with a smaller percentage having over \$1B in assets and an even small percentage having under \$100M in assets under management.

Most multi-family offices require \$20M-\$30M in investible assets to join their platform, but due to economic conditions and hunger for business growth, some family offices are allowing \$5M and \$10M clients in the door. At the other end of the spectrum, some high-end family offices, including several we interviewed for this book, require \$100M-\$250M in investible assets to participate in their multi-family office. For the purposes of this book, we will be referring to ultra-affluent clients as those with over \$20M in investible assets.

Why Should I use a Family Office?

There are many reasons why the ultra-high net worth are forming and joining family offices faster than ever before. You may be wondering what are the core motivations of these ultra-wealthy individuals looking to start or join a family office.

Once you begin dealing with \$10M, \$100M, or \$500M+ in assets, many issues which may sound small become very important to manage closely. These issues include global taxation, risk management, and even things such as cash management. Thus, family offices are a logical solution for families with wealth and responsibilities that need constant attention from qualified professionals under a single structure.

Here is a list of the top benefits of working with a family office instead of a single CPA or traditional wealth management professional:

- Central financial management center for the wealth so more holistic decision making can be made
- Higher chance of successful transfer of family assets, heritage, values, and relationships
- Access to institutional quality talent, fund managers, and resources that would be difficult or impossible to obtain as an individual
- Reduced costs in achieving a full balance sheet financial management and investment solution

For these reasons and more, you should consider using a family office if it makes sense in terms of your wealth management and other service requirements.

Creating Your Own Family Office

Without detailing the line item costs or requirements of running a family office, I want to dispel one myth. Many industry studies will tell you that you need \$100M to \$250M+ to set up your own single family office solution. Experts will tell you that running a family office will cost at least \$1M a year. I don't believe any of that is true.

Due to technology and the ability to leverage taxation and risk management experts and consultants, I have found some successful single family offices with "only" \$30M-\$50M in assets. The amount of assets needed to set up a single family office depends on the type of risk the family has to manage, what they invest in, what global taxation issues they face, and what goals they have for the family and family office.

If you find the family office model attractive, you may be wondering why you can't simply set up your own family office. The truth is, you could set up your own custom family office with just \$1 million to manage. However, the costs incurred in setting up such a family office would likely outweigh the benefits of having one and eat into your investment returns.

Family offices require significant costs to launch and then there are other expenses that will have to be paid every year, perhaps most importantly, the compensation of your family office staff. Even if you only hire one person to manage your family office, you will have to pay a yearly salary and even a bonus to that person and most family offices also keep an assistant or additional financial professional to help manage the family office.

Thus, you may be better off with a wealth management firm or as a client to a multi-family office that serves individuals and families in your asset range, rather than developing a custom family office.

Choosing a Single or Multi-Family Office

The most important thing to remember about comparing single and multi-family office services is that single family offices are built around the needs and goals of a single family, so everything is catered directly to those needs. In a multi-family office setting, there will be some chances for greater efficiency, in theory, but less of a 100% focus on serving the goals of any one family.

That is not to say that clients do not receive custom solutions, they do, but they do not have the 100% full attention of a whole office full of staff members. Many times this results in multi-family offices offering some perks and miscellaneous services that would just not be feasible unless the costs were spread out among many families. While multi-family offices can bring to the table lessons learned from working with multiple clients, a single family office will over time become more and more specialized in managing the types of investments and services that one family needs. Single family offices, by their very nature, provide more privacy and confidentiality, so for some ultra-wealthy individuals who are consistently in the public eye this may also be an important consideration.

Many times, hedge fund managers and finance professionals ask me why they can't set up a family office for themselves with just a \$1M or \$2M under management. As I will address in a few pages, this is possible but not always feasible given the requirements and costs of creating a single family office. The solution for most with less than \$20M in assets under management is to join a multi-family office that accepts smaller clients, join a wealth management firm that is trying to climb up to "family office" levels of service, or form your own network of a CPA, wealth manager, life insurance professional, etc. and be a manager of sorts of your own "virtual family office."

While you can attempt to run your own virtual family office, most highly successful professionals already have more than a full-time job's worth of responsibilities.

If you're at the stage in the process where you're evaluating different offerings among several family offices then you're probably wondering, "what type of family office should I select?" Only you can know the answer to this question, but

I do suggest that before you go out and meet with several family offices, you should decide exactly what type of family office you are looking for.

Do you want a hands-off solution or do you want to control the direct investments of some of your capital into an industry that you are familiar with? Do you want to take advantage of life management services, budget and record keeping help, and fractional jet ownership, or keep things focused exclusively on helping you manage a portfolio of alternative investment fund managers? Do you want to work with someone in your city or could the family office be based anywhere in the world?

A few hours of speaking with your spouse, planning and reflecting on what you really want, and what will serve you and your family's needs most, will be rewarded handsomely over the long-term.

Finding a family office that you trust is another important consideration when selecting a family office. Of course, you should seek legal and qualified financial counsel when evaluating family offices so please do not interpret this as all-encompassing advice. But I can offer some suggestions for finding high-character family offices and managers that you can trust.

Knowing who you are working with on a personal level is very important. Are they impatient, stretched thin, and edgy? Are they going to provide you sound objective advice during volatile market environments or a national debt crisis?

One of the advantages of Richard Wilson Capital Partners is our additional focus on working with only those fund managers who have a high degree of character and world class institutional experience. You can apply this same advantage for yourself while selecting a family office. There are a few very specific methods of quickly judging the strength of one's character.

The best way I have found for quickly evaluating someone's character is to gauge their time horizon or outlook on life. Most people, by default, have a bias for short-term actions, rewards, and planning. This conflicts with the very nature and planned benefits of working with a family office, which by its nature should have a bias towards long-term planning.

Again, you should always seek qualified legal and investment council before making any selection of a family office, but we have some due diligence questions that you might want to add to your list of questions that you will ask a family office which you are evaluating.

As a starting point, the three questions below are fundamental and should probably be asked by everyone who goes in to meet with a family office that they may hire.

- What types of ultra-affluent clients does the family office serve?
- Can you speak with a few of those clients as references?
- How thorough and objective is the fund manager selection process?

These questions should give you some ideas of what you should be considering as you go through your due diligence process.

Family Office Services

Family offices provide a range of services to their clients from philanthropic assistance to tax and accounting work. While family offices often tailor their services to the needs and desires of their clients, there are some common family office services that I will list here:

- **Portfolio Management & Investments**
 - Family offices will often provide investment advisory services and even actively manage the family client's portfolio of investments on a day-to-day basis. In this way, family offices become a wealth management solution for their clients, evaluating investments, trading assets and securities, completing due diligence on fund managers and other duties required for a complete wealth management service.
- **Tax Advisory**
 - Family office clients often have extensive tax issues due to their considerable assets under management and the typically complicated nature of their investments, assets and various forms of income. When you combine all that with global taxation issues, you could be looking at a high volume of tax issues that need expert consultation to resolve. A family office will often employ one or several CPAs and tax experts who can help clients resolve these tax issues in a hassle-free way.
- **Reporting & Record Keeping**
 - Reporting and record keeping can become straining when you have the large requirements of family office clients with a high level of assets under management and many different assets, philanthropic activities and businesses to keep track of. Family offices can relieve this burden.
- **Philanthropic Management**
 - Charitable giving and philanthropy are often an important aspect of wealth management for family office clients. A family office will often offer a philanthropic management service to help make these charitable acts that much easier to perform.
- **Multi-Generational Wealth Management**

- Wealth management firms may not be able to adequately service the needs of an ultra-high net worth family. A family office often specializes in the unique needs that come with managing the wealth of multiple generations in a family. This includes considerations like planning for a new family member or ensuring the financial security of an elderly family member.
- Compliance & Regulatory Assistance
 - Keeping within compliance requirements and obeying complicated regulations can be a difficult task without the advice and management of a family office.
- Risk Management & Insurance
 - Family offices often have risk management and insurance services to match the needs of their clients to ensure that they can worry less over unfortunate events like a fire or a sudden illness.
- Life Management & Budgeting
 - Family offices may offer life management benefits and budgeting assistance. Benefits which are non-financial and could be used for strategic advantage include life coaching, golf or private club memberships, or use of vacation properties, luxury vehicles, or yachts. As competition among family offices grows, it is expected that these types of additional benefits of becoming part of a multi-family office will steadily increase in popularity.
- Shared Asset Perks
 - Some family offices will offer shared asset perks to their clients; however, this is not the case for all single and multi-family offices.
- Training & Education
 - With more wealth come more problems and concerns for many wealthy families. A family office can help train you in areas that you may lack expertise in such as wealth management, philanthropy and other areas that you may want to learn more about.

Again, these are just some of the services offered by family offices and not every family office offers all of these services.

The “True” Family Office

There is a constant debate over what is a “true” family office. Some professionals believe single family offices are the only authentic family offices, and multi-family offices are simply wealth management firms in disguise. Others believe that you must have \$250M to launch a single family office, but there are many successful single family offices with as little as \$50M. I believe that a family office is defined by how they operate and what solution they provide to the family, and not by their asset size. A hedge fund is a hedge fund and a venture capital firm is a venture capital firm based on the structure of their investments, fees, and purpose and not by their asset size; the same goes for family offices.

One trend in the wealth management industry is the uptick in traditional wealth management firms converting into multi-family offices. This transition has contributed to the confusion over what is a family office and what is just a wealth management firm.

The trend has emerged because wealth management firms are wanting to serve the clients better and naturally collect more fees. In order to achieve these two goals, they are trying to provide more holistic financial wealth management solutions and many are raising their fees and the minimum assets a client must have before they will accept them as a client. While many wealth management firms may require \$500,000 or \$1M to become a client, many wealth management firms are now requiring \$10M+ and calling themselves family offices. This can cause frustration by some more traditional family offices who helped form the industry, as it can cause some confusion of what a family office really is or is not. Regardless of what side of that argument you support, there is no denying that some of these converted wealth management firms upgrading to family offices are going to succeed and that is a source of growth in the number of family offices and the assets they help manage.

It is important to note that some multi-family offices started out as single family offices and gradually add more clients. The recent rising costs of talent and compliance has driven up interest in converting single family offices into multi-family offices. Furthermore, many multi-family offices that exist today have lowered their requirements to cater to a lower end of the high net worth spectrum. So, many multi-family offices require \$30-\$100M+ to join their firm, but due to the

combination of economic volatility and perhaps rising costs many have lowered their new client minimums to just \$10M-\$20M. From their perspective, if they already have the infrastructure in place to serve their clients well, accepting a few more clients at \$20M each will help them leverage that further and in turn further re-invest those profits into improving their family office offering.

Video: Family Office Operations

In the following video recorded in Liechtenstein, Richard Wilson discusses family office operations. In this video, Richard covers the three typical family office business models: outsource model; expert generalist model; and the institutional model. To view this video, [simply click this link](#) or copy and paste the following link into your web browser:

<http://FamilyOfficesGroup.com/2012/03/family-office-models.html>

Family Office Career Prospects

As previously stated, the family office industry has been growing impressively in recent years and it is expected to continue as more families around the globe recognize the value of a 360-degree wealth management solution. If you are currently employed in wealth management or would like to transition into the family office industry, you might want to know what your job prospects are.

Currently, we estimate that there are somewhere between 8,000-10,000 family offices around the world and more will open shop to serve new high-net worth families and individuals. That means that there will be a lot of new family office job openings, assuming they aren't quickly filled by those looking to work in this exciting and rewarding industry.

Until the financial crisis, conventional wisdom said that if you wanted a well-paying job with consistent job security, you headed to Wall Street and worked for one of the big banks or investment firms. Now, things have changed: Wall Street is home to mass layoffs and big compensation cuts. No one is suggesting this is a permanent reality, as the economy recovers, surely, Wall Street will once again award large bonuses and compensation packages and firms will be looking for talented professionals to fill those vacancies.

One bright spot of this dark time for financial professionals has been the family office industry which has seen impressive growth in the last few decades and provides a sort of shelter from the swings of the economy in that you are managing wealth for multiple generations and there is some stability in that compared to the grind of Wall Street. After taking a hit in their retirement savings and investment portfolios, wealthy families and individuals have a new-found love for family offices that know how to manage and increase wealth even in uncertain economic times like we see today.

More clients means expansion for many family offices and new hires to help manage the wealth for these new clients and so we at Family Offices Group expect a further increase in family office hiring. For job-seekers it's a great time to be pursuing a family office career, especially as more family offices open up around the world, although family offices are highly selective in their hiring.

Most family office teams are comprised of less than one hundred professionals and can even be as small as 5 individuals, but multi-family offices that serve clients around the world can employ more than 100 professionals. The hierarchy of employees within a family office represents that of a normal business but it is a bit more flat, often times the executive director or CEO has only one or two levels underneath him as most family offices are just 10-100 professionals deep. This should give you an idea of your chances of working at a family office, and how competitive it can be to land that job given the relatively small number of positions compared to an investment bank or a large insurance company.

The most critical members of the team will be the people with portfolio management and investment expertise, those with risk management and insurance expertise, and those who can help the family meet multi-generational wealth transfer and trust related goals. While nothing is written in stone, if you have experience in any of these areas you will certainly be an attractive candidate to a family office that is looking to hire. The next article will explain how you can begin working in the family office industry.

How You Can Work in the Family Office Industry

Family offices are always looking for talented professionals to add to their team and with the recent growth of the family office industry, the prospects of landing a job in the industry are improving.

If you are looking to work in the family office industry, you will typically have a business background with experience in a relevant area such as accounting, management, law or, most often, finance. Although there is nothing set in stone as to what makes a qualified candidate, experience working in finance and accounting appears to be the most transferable to the family office model. As investing is a significant part of running a family office, many professionals that transition into the industry have previously managed an investment fund, worked as an analyst or had similar experience managing wealth. Also, due to the regulatory and legal burden of running a family office, many family office professionals are former CPAs or lawyers.

Again, there is no set route to work in the family office industry. Some professionals are plucked out of business school with no working experience and trained specifically in working at a family office; others spent most of their careers working at an investment bank. However, there are some common career trends that I've tried to highlight here to give you an idea of how best you can start a career in the family office industry

One last consideration for working in the family office industry is to take an alternate route such as working for a time at a outsourced family office service provider to develop relationships with family offices and a reputation among your peers and clients. Or, you can take an internship at a family office in order to increase your family office contacts and gain experience in the industry. This may also lead to a full-time job at a family office if they see you as a hard worker who adds a lot of value to the family office. These are just some of the ways that you can begin your family office career.

Family Office Recruitment

Family offices seeking to attract top talent would do well to remember that their desired employees will come from financial backgrounds. In the finance and banking industries, employers often use a bonus and incentive-based compensation structure to retain employees and that model remains attractive to many professionals who would work for a family office.

Additionally, when seeking to attract top talent, you should be sure to translate the benefits of working for a family office in terms of managing many different aspects of a family office rather than only the tax duties or investing; rather it is more akin to running a business, which is often an attractive aspect to those considering a family office career.

One family office manager that I spoke with suggested that the best way to secure top talent is to start early by targeting young, bright graduates and MBA students or those just starting their financial career. Although this method requires a certain amount of additional training, the rewards of having top talent for the life of that individual's career can be great. We have certainly received a lot of interest from MBAs and recent business school graduates who want to explore a less traditional business career in the family office industry.

From the family offices that our team has spoken and worked with, we have seen those working at a family office highly satisfied with their career. This may be one of the best ways to recruit: simply by word-of-mouth. For instance, when several financial professionals gather socially or at conferences, a family office employee or manager might speak fondly of his career and how he enjoys his work at the family office and those working in less rewarding and more stressful positions might be inclined to ask around about the family office and how they can transition into this career. I believe that a lot of family office recruitment comes naturally, but it doesn't hurt to tell prospective employees the benefits of a family office career.

Video: Starting Your Own Family Office

If you are looking for tips on starting a family office, you will be interested in a recent video recorded by Family Offices Group CEO Richard Wilson. In this video, Richard explores some of the issues facing family office startups and shares his tips on starting a family office. To watch this video simply click on [this link](#) or copy and paste it into your web browser: <http://familyofficesgroup.com/2012/01/do-you-have-any-advice-on-starting-a-family-office.html>

Family Office Marketing Video

There really is not that much publicly available information on family office marketing. Fortunately, the Family Offices Group CEO, Richard Wilson, recently recorded a video Family Office Marketing. In the following free video, Richard Wilson offers his top six tips for marketing a family office to clients and growing your multi-family office. To watch this video simply click on [this link](#) or copy and paste it into your web browser:

<http://familyofficesgroup.com/2012/01/do-you-have-any-tips-for-family-office-marketing.html>

From CPA to Family Office Founder

Many family office managers formerly worked as CPAs and their knowledge of complex accounting and tax rules are a huge benefit to their clients. Similarly, CPAs are often a natural fit for running a business, which is essentially what managing a family office is, and they can easily manage the family office expenses, taxes, compliance and other issues.

Many business owners trust experienced CPAs as a source of sound advice on how to re-invest profits in a way that is relatively tax efficient while using their own knowledge on what may produce financial returns. Naturally when a business owner experiences a liquidity event and suddenly their wealth increases many fold, entrepreneurs turn to their CPAs to help them form a family office solution. This is why there are so many family office executives with accounting backgrounds.

Family Office Industry Growth around the World

The family office industry has grown in recent years despite the financial crisis and global recession. This is true in areas around the world where wealthy families and individuals were largely unfamiliar with the family office concept only a decade ago. Now, in places like Singapore, Hong Kong, Sao Paulo and other cities around the world, we are seeing a huge increase in interest in family offices from the wealthy. This has led many family offices to either set up an initial office in these emerging markets and high-growth areas, or to establish a second office in these cities in order to reach out to a new group of family office clients.

I have travelled around the world, speaking at conferences in Moscow, Zurich, Singapore and other areas of wealth. I have seen first-hand the growth of family offices and the shift among investors away from traditional wealth management and toward single and multi-family offices. At our firm, Richard Wilson Capital Partners, we are especially excited about the growth potential in Singapore. To give you an idea of how these emerging financial capitols like Singapore will be important to the family office industry, I'll detail the family office industry in Singapore today in the next article.

Global Differences in Family Office Wealth Managers

In the following video recorded live in Zurich Switzerland, Richard Wilson discusses the global differences in family office wealth management. Richard has spoken at industry events around the world and discussed family office wealth management with managers around the world. To watch this video and view our free guide to Singapore family offices [simply click here](#) or copy and paste the following link into your web browser:

<http://familyofficesgroup.com/2012/01/differences-in-family-offices-around-the-world.html>

Family Office Spotlight: Singapore

The family office concept, once almost exclusively available to the wealthy families in Europe and the United States, is quickly migrating to new pockets of wealth in places like Brazil, Australia and Singapore. Only a few years ago, a wealthy family or ultra-high-net worth individual would be hard pressed to find a customized family office wealth management solution; now, there are dozens of family offices operating in Singapore and the number of single and multi-family offices is only expected to increase in the coming years.

As the amount of wealth in Singapore has steadily grown, so too has the need for family offices. Asia is, of course, a region of great wealth and Singapore is one of the wealth capitals for the region. It is estimated that there are 17,500 ultra-high net worth individuals in Asia and the region accounts for 18.5% of ultra-high net worth individuals in the world. In Asia, Singapore serves as one of two primary hubs for Asian family offices—the other being Hong Kong. Singapore has developed a reputation among the high-net-worth community as a financial capital and a popular destination for wealthy families, so many family offices have established offices in the country to service local families and individuals.

Singapore has been attracting a great number of these ultra-high net worth individuals and more and more are moving from mainland China to reside in Singapore. Accordingly, the number of family offices in Singapore is growing; however, many high-net-worth individuals and wealthy families have relied less on typical single family offices in favor of a different model. One study by VP Bank found that wealthy Asian families turn to “a plurality of players that are independently (e.g. global banks) or collaboratively (e.g. asset managers, lawyers and independent advisors) providing family office services for wealthy Asian clients ... these structures work as a dynamic network of different players’ discussed as a ‘Hybrid network Family Office Model.’” Yet, as single and multi-family offices gains traction among the Asian investment community, we expect Singapore to fully embrace the more traditional family office model.

Wealth accumulation has steadily increased in Singapore from a low point in 2001, along with the number of family offices. The country has a high concentration of billionaires compared to other Asian countries, making it a very attractive

destination for family offices. The number of high-net-worth individuals in the country is estimated to be 60,000 although that number has likely grown since.

Despite the huge number of high-net-worth individuals and billionaires currently residing in the country, there are relatively few family offices, but that is expected to change in the coming years. As one report on Singapore family offices concluded: “Even if only a few family offices are identifiable in Singapore today, the market will clearly play an important role in the family office business for Asian clients in the future.” It is clear that Singapore will continue to play a big part in the future growth of the family office industry. According to Singapore-based hedge fund manager Anson Zeall Partner at Stoxster Capital LLP there is a continuous rise in money flowing into the area, which is fueling demand for family offices.

Anecdotally, when I attended past conferences in Asia, I was always surprised by the relative lack of family offices compared to other ultra-high-net worth hotbeds around the world. However, in my most recent trip to Singapore, I saw mounting evidence that Singapore is on the cusp of a surge in the local family office industry. For one, there are already dozens of family offices working in Singapore and has made the concept more familiar to Singapore and Southeast Asia’s wealthy, laying the groundwork for future family office growth. Furthermore, I met with several family offices considering or actively establishing an office in Singapore because they, too, see the huge growth potential in the region.

You can see other signs of this coming boom by the number of family office and wealth management conferences in Southeast Asia and Singapore and the number of hedge funds and private equity firms setting up new offices to service clients in the region. I am constantly talking to hedge fund and private equity marketers who are eager to find new investors for their funds and yet few have a clear strategy for targeting family offices and even fewer have a specific plan for raising capital from Singapore investors. The fact that investment funds are undervaluing Singapore is not atypical; for years, investors in Singapore and, more generally, Asia, have been underserved and overlooked in favor of investors more local to American and European funds. However, this trend is reversing as forward-thinking hedge funds and private equity firms realize the potential in Singapore and Southeast Asia.

At the Family Offices Group association, and at my capital raising firm, Richard Wilson Capital Partners we are looking to Singapore as one of the top

emerging hot beds for family office activity. For those looking for a foothold in Asia and an access point to underserved wealthy investors, you need look no further than Singapore.

Free Video on Singapore Family Offices

I just returned from Singapore where I found that a huge % of wealth in Asia is flowing. I came to the city for some meetings, to record videos, and to prepare to speak in Tokyo the following week at a conference and while there I was shocked at just how wealthy the city is. If you run a family office or are thinking of starting one, I would consider Singapore as a location for an Asian hub, this city is growing fast and is attracting a lot of billionaires from all over the world due to its high standard of living and friendly tax environment.

To watch this video and view our free guide to Singapore family offices [simply click here](http://familyofficesgroup.com/2011/07/singapore-family-office.html) or copy and paste the following link into your web browser:
<http://familyofficesgroup.com/2011/07/singapore-family-office.html>

Where to Go from Here

Now that you've read through our free Family Office Report and watched some of the free videos that we've shared here, you're ready to move on other resources, networking opportunities and other ways to stay involved and educated in the family office industry. Here are just a few of the resources we offer:

Join the Family Offices Group

The Family Offices Group is a 35,000 member strong association for single and multi-family office professionals.

The Family Offices Group is an established professional organization created to connect single and multi-family office professionals for networking, resource referral, career advice, and eventually national/international strategic partnerships.

If you are interested in joining 35,000 others as a member of the Family Offices Group please first make sure that you are a member of LinkedIn.com and are logged in. Once logged in please follow this link to join the Family Offices Group: <http://www.linkedin.com/groups?about=&gid=46192>

Visit Our Website

If you're interested in reading literally hundreds of free articles and watching dozens of videos on family offices, then you should visit FamilyOfficesGroup.com. This website is built to provide information, data, videos, articles, networking events, and other resources for family office professionals that you won't find anywhere else on the web. To visit this site simple [click this link](http://familyofficesgroup.com/) or visit this web page: <http://familyofficesgroup.com/>

Thank You!

Thank you for reading this report and we hope you've enjoyed this free family office resource. If you'd like to give us feedback or learn how our firm can help you, feel free to contact us:

Contact Us:

Richard@RichardWilsonCapital.com

Phone: (212) 729-5067

Fax: (480) 772-4041

Office Hours: 8:45AM – 5:00PM (PST)

U.S. Headquarters

Family Offices Group

3300 NW 185th Avenue Suite #108

Portland, Oregon 97229

Please do keep in touch,



Richard C. Wilson

Founder and CEO

Family Offices Group | Richard Wilson Capital Partners, LLC

About Richard Wilson and the Family Offices Group

The Family Offices Group is:

- The #1 largest association in the family office wealth management industry with 31,000+ current members ([Join](#))
- The #1 most popular web property on the internet which focuses exclusively on the family office industry
- Our Family Office Report has been downloaded over 15,000 times. Richard is releasing a book through Wiley on family office investment preferences and best practices in Q2 2012.

Our team of professionals has over 25 years of capital raising, marketing, and database construction building experience. We are all based in Portland, Oregon USA and Sao Paulo, Brazil. To learn about the rest of our team, visit:

<http://familyofficesgroup.com/about-us>

Richard C. Wilson: Managing Director



Richard C. Wilson founded the Family Offices Group association and is the President of Richard Wilson Capital Partners, LLC. Richard is a global speaker, bestselling author of “The Hedge Fund Book: A Training Manual for Professionals and Capital-Raising Executives,” and author of The Family Office Report. He has been working with family offices and capital raising for over 7 years and has provided consulting advice and services to over 1,600 firms during that time.

Richard has spoken at over 50 top industry conferences and events in the family office and alternative investment industries. This year alone he has chaired a full day 300 person conference in Zurich and acted as Opening Day Chairman for GAIM International the family office industry’s largest and oldest conference in Monaco. Richard is currently writing a book on family office capital deployment best practices for Wiley to be released in the winter of 2011, and his team is constantly expanded their industry leading website, FamilyOfficesGroup.com.